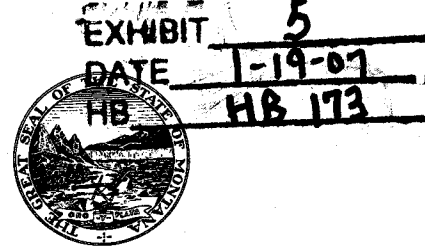




Dan Bucks  
Director

# Montana Department of Revenue



Brian Schweitzer  
Governor

## Memorandum

TO: Representative Scott Boggio and Members of the House Business and Labor Committee

FROM: Shauna Helfert, Liquor Control Division Administrator

DATE: January 18, 2007

SUBJECT: HB 173 – Amending agency liquor store discounts for liquor case sales.

After the House Business and Labor Committee hearing on HB 173 a question was asked as to what the liquor sales, discounts, taxes and transfers to the general fund were in the past two years and what the projections are for the next three years.

The attached spreadsheet details gross liquor sales, commissions and discounts paid to agency liquor stores, cost of goods sold, operating expenses and transfers back to the general fund for license tax, excise tax and operating profits for each year requested. (The excise tax is split up with 34 ½% to the general fund and 65 ½% to state special revenue fund – department of health and human service).

The projected years are as the current laws reads and do not include HB173. If HB173 were to pass the cost would be subtracted from the transfer to the general fund.

Please let me know if you have further questions, I would be happy to help in anyway I can. My office telephone number is 444.1464 or my cell phone number is 439-7321.

# Liquor Distribution Operations

	FY 2005	FY 2006	Projected FY 2007	Projected FY 2008	Projected FY 2009
<b>Gross Sales</b>	\$75,686,673	\$83,916,488	\$91,357,383	\$100,374,611	\$109,778,358
Discounts Granted	1,473,430	1,633,451	1,778,289	1,953,812	2,136,857
Commissions Granted	6,913,084	7,683,072	8,364,332	9,435,259	10,319,215
Sales Volume Discount Granted	775,346	831,045	904,734	994,034	1,087,161
<b>Net Sales less discounts &amp; commissions</b>	<b>66,524,813</b>	<b>73,768,920</b>	<b>80,310,028</b>	<b>87,991,506</b>	<b>96,235,125</b>
<b>Less:</b>					
Cost of good sold	42,693,308	47,306,545	51,501,228	56,584,542	61,885,750
Operating Costs	1,566,587	1,691,865	1,824,745	2,004,853	2,192,680
<b>Net Income from operations</b>	<b>22,264,918</b>	<b>24,770,510</b>	<b>26,984,055</b>	<b>29,402,111</b>	<b>32,156,695</b>
<b>Transfers</b>					
Liquor Excise Tax	9,609,132	10,651,853	11,596,355	12,740,948	13,934,603
Liquor License Tax	6,007,218	6,658,036	7,248,406	7,963,843	8,709,948
General Fund	6,650,000	7,450,000	8,100,000	8,650,000	9,475,000